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CLERK, US DISTRICT COURT
WESTERN DISTRICT OF TEXASBY [Signature]
DEPUTY**EP**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

UNITED STATES OF AMERICA

CRIMINAL NO. SA -85-CR-329

vs.

JUAN JOSE QUINTERO-PAYAN

SUPERSEDING INDICTMENT

VIOLATIONS OF:

Title 18, U.S.C. 1962(c) - RICO;
 Title 18, U.S.C. 1962(d) - RICO conspiracy;
 Title 18, U.S.C. 2 - Aiding and abetting;
 Title 21, U.S.C. 963 - Conspiracy to import
 Title 21, U.S.C. 846 - Conspiracy to possess
 with intent to distribute;

THE GRAND JURY CHARGES:

A true copy of the original, I certify.
 Clerk, U. S. District Court

COUNT ONE
 [18 U.S.C. 1962 (c)]

By [Signature]
 Deputy

The Enterprise

1. At various times relevant to this Indictment

JUAN JOSE QUINTERO-PAYAN

the Defendant, and others known and unknown, were members and associates of the Quintero drug organization whose members and associates engaged in acts of importation, possession and distribution of controlled substances, acts of violence, acts of interstate and foreign travel, and acts involving the protection of proceeds, and which operated principally in the States of Texas, California, and Arizona, and in Mexico.

2. The Quintero drug organization, including its leadership, membership and associates, constituted an "enterprise," as defined by Title 18, United States Code, Section 1961(4)

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(hereinafter "the enterprise"), that is, a group of individuals associated in fact. The enterprise constituted of an ongoing organization whose members functioned as a continuing unit for a common purpose of achieving the objectives of the enterprise. This enterprise was engaged in, and its activities affected, interstate and foreign commerce.

Purposes of the Enterprise

3. The purposes of the enterprise included the following:

a.. Enriching the members and associates of the enterprise by promoting and facilitating the importation, acquisition, possession and distribution of controlled substances, including marijuana, and cocaine on a continuing basis.

b. Preserving and protecting the power, territory and profits of the enterprise through the use violence, bribery, and laundering of proceeds.

c. Promoting and enhancing the enterprise and its members and associates' activities.

Roles of the Defendant

4. The Defendant JUAN JOSE QUINTERO-PAYAN was a leader of the enterprise who directed other members of the enterprise in carrying out unlawful and other activities in furtherance of the conduct of the enterprise's affairs.

Means and Methods of the Enterprise

5. Among the means and methods by which the defendants and their associates conducted and participated in the conduct of the affairs of the enterprise were the following:

The Defendant and other unindicted co-conspirators arranged for the use of parcels of real estate and the buildings thereon as places of storage for and distribution of controlled substances and the collection of money from sales thereof.

The Defendant and unindicted co-conspirators arranged for the importation of cocaine into Mexico from South America, and for the importation of controlled substances from Mexico to the United States, including the States of Texas and California.

The Defendant and unindicted co-conspirators used communication facilities to advance the affairs of the enterprise.

The Defendant and other unindicted co-conspirators obtained conveyances including cars, trucks, and planes by rental and purchase for use in the affairs of the enterprise.

The Defendant and other unindicted co-conspirators made extensive use of banks in Texas, California, New York, the Cayman Islands, and elsewhere to launder, disguise, hide, convert and protect their illicit profits and proceeds from the enterprise.

The Defendant and unindicted co-conspirators arranged to collect, count, store, and distribute the illegal income generated by the enterprise.

The Defendant and unindicted co-conspirators arranged to disguise, hide, convert, invest, protect, and otherwise launder the illicit profits and proceeds from the enterprise.

The Defendant and unindicted co-conspirators traveled and caused travel in interstate and foreign commerce to effect the objects of the enterprise.

The Defendant and unindicted co-conspirators on occasion used false names and the names of other persons to conceal their own participation in the affairs of the enterprise.

The Defendant and other unindicted co-conspirators used violence against persons with knowledge of the affairs of the enterprise to insure their silence and non-cooperation with law enforcement officials.

The Defendant and other unindicted co-conspirators expanded the enterprise to include various controlled substances, new co-conspirators and new methods needed to insure the ongoing operations of the enterprise.

The Defendant and other unindicted co-conspirators endeavored to maintain control over proceeds gained through the operation of the enterprise.

The Racketeering Violation

6. That from an unknown date, believed to be in the year 1978 and continuously thereafter up to and including the date of this indictment, in the Western District of Texas, and elsewhere, and in the jurisdiction of this court, JUAN JOSE QUINTERO-PAYAN, the Defendant, together with others known and unknown, being persons employed by and associated with the enterprise described above, an enterprise engaged in, and the activities of which affected, interstate and foreign commerce, unlawfully, and knowingly conducted and participated, directly and indirectly, in the conduct of the affairs of that enterprise through a pattern of racketeering activity, that is, through the commission of the following acts; Racketeering Acts One through Twenty Two as set forth below.

The Pattern of Racketeering Activity

7. The pattern of racketeering activity as defined in Title 18, United States Code, Sections 1961(1) and 1961(5), consisted of the following acts:

**Racketeering Act One - Importation and Possession With Intent to Distribute
Marihuana:**

The Defendant committed the following acts, either one of which alone constitutes Racketeering Act One

A. In or about December, 1982 in the Western District of Texas

JUAN JOSE QUINTERO-PAYAN did knowingly, intentionally and unlawfully import into the United States from Mexico approximately 15,000 pounds of marihuana, a controlled substance under Schedule I of the Controlled Substances Act of 1970 in violation of Title 21 United States Code, Section 952 and Title 18 United States Code, Section 2.

B. Thereafter, in or about December, 1982, in the Southern District of Texas **JUAN JOSE QUINTERO-PAYAN** did knowingly, intentionally and unlawfully distribute approximately 15,000 pounds of marihuana, a controlled substance under Schedule I of the Controlled Substances Act of 1970 in violation of Title 21 United States Code, Section 841(a)(1), and Title 18 United States Code, Section 2.

Racketeering Act Two - Travel Act:

In or about December 1982, **JUAN JOSE QUINTERO-PAYAN**,
Celina Ley Quintero, A/K/A Celina Ley Machado, and Carlos

Behn did knowingly and intentionally travel in foreign commerce from Mexico to San Diego, California in the Southern District of California with intent to distribute the proceeds of an unlawful activity, to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846 and with the intent to otherwise facilitate the promotion, management, establishment, and carrying activity and did thereafter distribute approximately \$998,640.00 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the aforecited unlawful activity in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Three - Travel Act:

In or about January, 1983, **JUAN JOSE QUINTERO-PAYAN**, Celina Ley Quintero, A/K/A Celina Ley Machado, and Carlos Behn did knowingly and intentionally travel in foreign commerce from Mexico to San Diego, California in the Southern District of California with intent to distribute the proceeds of an unlawful activity, to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846 and with the intent to otherwise facilitate

the promotion, management, establishment, and carrying on of the
aforecited unlawful activity and did thereafter distribute
\$838,930.00 in cash proceeds of the aforecited unlawful activity
and did facilitate the promotion, management, establishment and
carrying on of the aforecited unlawful activity in violation of Title
18 United States Code, Section 1952 and Title 18 United States
Code, Section 2.

Racketeering Act Four - Travel Act:

In or about February, 1983, **JUAN JOSE QUINTERO-PAYAN**,
Celina Ley Quintero, A/K/A. Celina Ley Machado, and Carlos
Behn, aided and abetted by each other and by Raymond Ugalde did
knowingly and intentionally travel in foreign commerce from
Mexico to the Southern District of Texas with intent to distribute
the proceeds of an unlawful activity, to wit: a conspiracy to
distribute marihuana and to possess marihuana with intent to
distribute in violation of Title 21 United States Code, Section 846
and with the intent to otherwise facilitate the promotion,
management, establishment, and carrying on of the aforecited
unlawful activity and did thereafter distribute \$1,843,860.00 in
cash proceeds of the aforecited unlawful activity and did facilitate
the promotion, management, establishment and carrying on of the

aforecited unlawful activity in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Five - Travel Act:

In or about February 14, 1983, Emilio Quintero-Payan, aided and abetted by JUAN JOSE QUINTERO-PAYAN and Juan Frank Garcia did knowingly and intentionally travel in foreign commerce from Mexico to Hidalgo County, Texas, in the Southern District of Texas with intent to distribute the proceeds of an unlawful activity, to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846 and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$1,000,000.00 in cash proceeds of the afore cited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the afore cited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Six - Travel Act:

On or about March 10, 1983, Emilio Quintero-Payan, aided and abetted by JUAN JOSE QUINTERO-PAYAN and Juan Frank Garcia did knowingly and intentionally travel in foreign commerce from Mexico to the Southern District of Texas with intent to distribute the proceeds of an unlawful activity, to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846 and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the afore cited unlawful activity and did thereafter distribute approximately \$750,000.00 in cash proceeds of the afore cited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the afore cited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Seven - Travel Act:

On or about March 10, 1983, Emilio Quintero-Payan, JUAN JOSE QUINTERO-PAYAN, Celina Quintero A/K/A Celina Ley Machado and Carlos Behn aided and abetted by Juan Frank Garcia and Raymond Ugalde did knowingly and intentionally travel in foreign commerce from Mexico to the Southern District of Texas

with intent to distribute the proceeds of an unlawful activity, to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846 and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$2,153,685.00 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Eight - Travel Act:

On or about March 21, 1983, **JUAN JOSE QUINTERO-PAYAN**, Celina Quintero A/K/A Celina Ley Machado and Carlos Behn did knowingly and intentionally travel in foreign commerce from Mexico to San Diego, California, in the Southern District of California with intent to distribute the proceeds of an unlawful activity, to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846 and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the

aforecited unlawful activity and did thereafter distribute approximately \$1,485,635.00 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Nine - Travel Act:

On or about April 26, 1983 Emilio Quintero-Payan, aided and abetted by **JUAN JOSE QUINTERO-PAYAN** and Juan Frank Garcia did knowingly and intentionally travel in foreign commerce from Mexico to Hidalgo County, Texas, in the Southern District of Texas, with intent to distribute the proceeds of an unlawful activity, to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$380,000 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the aforecited unlawful activity,

in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Ten - Travel Act:

On or about May 12, 1983, **JUAN JOSE QUINTERO-PAYAN**, Celina Ley Quintero A/K/A Celina Ley Machado and Carlos Behn, aided and abetted by Raymond Ugalde did knowingly and, intentionally travel in foreign commerce from Mexico to Houston, Texas, in the Southern District of Texas, with intent to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$325,030.00 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Eleven - Travel Act:

On or about July 12, 1983, **JUAN JOSE QUINTERO-PAYAN**,
Celina Ley Quintero A/K/A Celina Ley Machado and Carlos Behn,
aided and abetted by Raymond Ugalde did knowingly and,
intentionally travel in foreign commerce from Mexico to Houston,
Texas, in the Southern District of Texas, with intent to distribute
the proceeds of an unlawful activity; to wit: a conspiracy to
distribute marihuana and to possess marihuana with intent to
distribute in violation of Title 21 United States Code, Section 846,
and with the intent to otherwise facilitate the promotion,
management, establishment, and carrying on of the aforecited
unlawful activity and did thereafter distribute approximately
\$1,909,150.00 in cash proceeds of the aforecited unlawful activity
and did facilitate the promotion, establishment and carrying on of
the aforecited unlawful activity, in violation of Title 18 United
States Code, Section 1952 and Title 18 United States Code,
Section 2.

Racketeering Act Twelve - Travel Act:

The Defendant committed the following acts, one of which alone
constitutes Racketeering Act Twelve:

A. On or about July 18, 1983, Carlos Behn, aided and abetted by Raymond Ugalde, **JUAN JOSE QUINTERO-PAYAN**, and Emilio Quintero-Payan did knowingly and, intentionally travel in foreign commerce from Mexico to Houston, Texas, in the Southern District of Texas, to the Cayman Islands with intent to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$6,275,00.00 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

B. Thereafter, in or about August 1983, **JUAN JOSE QUINTERO-PAYAN**, Emilio Quintero-Payan, Carlos Behn, Continental Resources, Ltd., European Commodities Ltd., and Raymond Ugalde used a facility in foreign commerce, from the Cayman Islands to the Southern District of New York with intent

to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$6,275,00.00 of proceeds of the aforecited unlawful activity and facilitate the promotion, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

C. Thereafter, in or about August 1983, **JUAN JOSE QUINTERO-PAYAN**, Emilio Quintero-Payan, Carlos Behn, Continental Resources, Ltd., European Commodities Ltd., and Raymond Ugalde used a facility in interstate commerce between New York City and the Southern District of Texas with intent to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited

unlawful activity and did thereafter distribute approximately \$6,275,00.00 cash proceeds of the aforecited unlawful activity and did facilitate the promotion, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Thirteen - Travel Act:

On or about November 22, 1983, Carlos Behn aided and abetted by **JUAN JOSE QUINTERO-PAYAN**, Juan Frank Garcia and Raymond Ugalde did knowingly and intentionally travel in foreign commerce from Mexico to Houston, Texas, in the Southern District of Texas, with intent to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$987,500.00 in cash proceeds of the aforecited unlawful activity and facilitate the promotion, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Fourteen - Travel Act:

On or about December 12, 1983, Carlos Behn, aided and abetted by **JUAN JOSE QUINTERO-PAYAN**, Raymond Ugalde, and Juan Frank Garcia did knowingly and intentionally travel in foreign commerce from Mexico to Houston, Texas, in the Southern District of Texas, with intent to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$2,305,000.00 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Fifteen - Travel Act:

On or about December 20, 1983, Jose Luis Cervantes, aided and abetted by **JUAN JOSE QUINTERO-PAYAN**, Raymond Ugalde, and Juan Frank Garcia did knowingly and intentionally travel in foreign commerce from Mexico to Houston, Texas, in the

Southern District of Texas, with intent to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforementioned unlawful activity and did thereafter distribute approximately \$800,000.00 in cash proceeds of the aforementioned unlawful activity and did facilitate the promotion, management, establishment and carrying on of the aforementioned unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Sixteen - Travel Act:

During the year of 1984, Continental Resources, Ltd., and European Commodities, Ltd., aided and abetted by **JUAN JOSE QUINTERO-PAYAN** and Carlos Behn did knowingly and intentionally use a facility in foreign commerce from the United States, Southern District of Texas, to the Bahamas, with intent to facilitate the promotion, management, establishment, and carrying on of a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, 846 and did thereafter facilitate the promotion,

management, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Seventeen - Travel Act:

On or about January 11, 1984, Carlos Behn, aided and abetted by **JUAN JOSE QUINTERO-PAYAN**, Raymond Ugalde, and Juan Frank Garcia did knowingly and intentionally travel in foreign commerce from Mexico to Houston, Texas, in the Southern District of Texas, with intent to distribute the proceeds of an unlawful activity; to wit: a conspiracy to distribute marihuana and to possess marihuana with intent to distribute in violation of Title 21 United States Code, Section 846, and with the intent to otherwise facilitate the promotion, management, establishment, and carrying on of the aforecited unlawful activity and did thereafter distribute approximately \$1,324,445.00 in cash proceeds of the aforecited unlawful activity and did facilitate the promotion, management, establishment and carrying on of the aforecited unlawful activity, in violation of Title 18 United States Code, Section 1952 and Title 18 United States Code, Section 2.

Racketeering Act Eighteen - Foreign Distribution of Cocaine:

In or about October of 1985 from outside the United States, **JUAN JOSE QUINTERO-PAYAN** did knowingly, intentionally and unlawfully distribute several hundred kilos of cocaine, a controlled substance under Schedule II of the Controlled Substances Act of 1970 intending that said cocaine be unlawfully imported into the United States in violation of Title 21, United States Code, Section 959(a) and 952, and Title 18, United States Code, Section 2.

Racketeering Act Nineteen - Foreign Distribution of Cocaine:

In or about December of 1985 from outside the United States **JUAN JOSE QUINTERO-PAYAN** did knowingly, intentionally and unlawfully distribute approximately 700 kilos of cocaine, a controlled substance under Schedule II of the Controlled Substances Act of 1970 intending that said cocaine be unlawfully imported into the United States in violation of Title 21, United States Code, Section 959(a) and 952, and Title 18, United States Code, Section 2.

Racketeering Act Twenty - Attempted Importation of Cocaine:

In or about the year 1994 from outside the United States **JUAN JOSE QUINTERO-PAYAN** did knowingly, intentionally and

unlawfully attempt to import into the United States approximately 2,500 kilos of cocaine, a controlled substance under Schedule II of the Controlled Substances Act of 1970 in violation of Title 21, United States Code, Section 963, and Title 18, United States Code, Section 2.

Racketeering Act Twenty One - Foreign Distribution, Importation, and Possession With Intent to Distribute Cocaine in the United States:

The Defendant committed the following acts, one of which alone constitutes Racketeering Act Twenty One:

A. In or about 1999, from outside the United States, **JUAN JOSE QUINTERO-PAYAN** did knowingly, intentionally and unlawfully distribute approximately 100 kilos of cocaine, a controlled substance under Schedule II of the Controlled Substances Act of 1970, intending that said cocaine be unlawfully imported into the United States, in violation of Title 21, United States Code, Section 959 (a), and Title 18, United States Code, Section 2.

B. In or about 1999, from outside the United States, **JUAN JOSE QUINTERO-PAYAN** did knowingly, intentionally and unlawfully import into the United States approximately 100 kilos of cocaine,

a controlled substance under Schedule II of the Controlled Substances Act of 1970, in violation of Title 21, United States Code, Section 952, and Title 18, United States Code, Section 2.

C. In or about March of 1999 in the Southern District of Texas and in the jurisdiction of this Court, **JUAN JOSE QUINTERO-PAYAN** did knowingly, intentionally and unlawfully possess with intent to distribute approximately 100 kilos of cocaine, a controlled substance under Schedule II of the Controlled Substances Act of 1970, in violation of Title 21, United States Code, Section 841(a)(1), and Title 18, United States Code, Section 2.

Racketeering Act Twenty Two - Conspiracies to Import and to Possess with Intent To Distribute Cocaine:

The Defendant committed the following acts, one of which alone constitutes Racketeering Act Twenty Two:

A. The conspiracy to import controlled substances, to include marihuana and cocaine, from the year 1978 to the date of the return of this indictment in violation of Title 21, United States Code, Section 963, as more fully set out below in Count Three is herein incorporated as to **JUAN JOSE QUINTERO-PAYAN**.

B. The conspiracy to possess controlled substances, to include marihuana and cocaine, with intent to distribute, from the year

1978 to the date of the return of this indictment in violation of Title 21,

United States Code, Section 846 as more fully set out below in Count

Four is herein incorporated as to **JUAN JOSE QUINTERO-PAYAN.**

All of which was in violation of Title 18, United States Code, Section 1962(c)

COUNT TWO
[18 U.S.C. 1962(d)]

The Racketeering Conspiracy

1. Paragraphs 1 through 5 in Count One are hereby realleged and incorporated as if fully set forth herein.

2. From an unknown date believed to be in the year 1978, and continuously thereafter up to and including the date of this indictment, in the Western District of Texas and elsewhere, and in the jurisdiction of this court the Defendant

JUAN JOSE QUINTERO-PAYAN

together with other persons known and unknown, being persons employed by and associated with the enterprise, which engaged in, and the activities of which affected, interstate and foreign commerce, knowingly, and intentionally conspired to violate 18 U.S.C. § 1962(c), that is, to conduct and participate, directly and indirectly, in the conduct of the affairs of that enterprise through a pattern of racketeering activity, as that term is defined by 18 U.S.C. § 1961(1) and (5), consisting of multiple acts involving the distribution, importation and possession of controlled substances including marihuana and cocaine in violation of the laws of the United States as set out in Title 21 United States Code, Sections 841 (a)(1), 843 (b), 846, 952, 959, 960, and 963; and acts indictable under the Travel Act in violation of Title 18 United States Code, Section 1952.

It was a further part of the conspiracy that the defendant agreed that a conspirator would commit at least two acts of racketeering activity in the conduct of the affairs of the enterprise.

The following and other overt acts were committed in the Western District of Texas and elsewhere:

OVERT ACTS

1. In approximately 1978, **JUAN JOSE QUINTERO-PAYAN** and Emilio Quintero-Payan arranged for the importation of approximately 1.5 tons of marihuana that was smuggled into the United States from Mexico, and destined for California.
2. In approximately 1982, **JUAN JOSE QUINTERO-PAYAN** and Emilio Quintero-Payan arranged for the importation of approximately 10 tons of marihuana that was smuggled into the United States from Mexico.
3. Beginning in approximately 1982, **JUAN JOSE QUINTERO-PAYAN**, in concert with others, supplied Juan Frank Garcia and others with large quantities of marihuana. Locations in Texas and California including hotels, ranches, air strips, houses and buildings were used by various members of the conspiracy to facilitate the illegal importation, storage and distribution of the controlled substances involved.
4. In 1982, **JUAN JOSE QUINTERO-PAYAN**, in concert with others, arranged for the importation from Mexico to the State of Texas of approximately 15,000 pounds of marihuana in a tanker vehicle. Juan Frank Garcia, and others, worked to receive this load near Houston, Texas. Many other loads arrived in this same manner.
5. In or about February of 1983 Juan Frank Garcia purchased the residence and furniture at 8934 Shoreview, Humble, Texas for approximately \$383,000.00 in cash. Thereafter he transferred title to this property to Ignacia Payan, the mother of **JUAN JOSE QUINTERO-PAYAN** and Emilio Quintero-Payan. Juan Frank Garcia stated that the purchasers of the Shoreview property had \$60,000,000.00 in funds available to invest.

6. In April and May of 1983, Emilio Quintero-Payan traveled in the San Antonio and Houston, Texas area.
7. In June of 1983, Juan Frank Garcia and Leonardo Payan-Quintero stayed at a motel in the San Antonio, Texas, area.
8. In or about May of 1983, Leonardo Payan-Quintero, Juan Frank Garcia, and Ricardo Gomez had a conversation wherein Juan Frank Garcia was described as a principal purchaser of marihuana from the Quintero-Payan organization.
9. From December, 1982, through March of 1983 Celina Ley Quintero, AKA: Celina Ley Machado, **JUAN JOSE QUINTERO-PAYAN** and Carlos Behn, a branch manager of Banco Nacional De Mexico in Guadalajara, Mexico, deposited approximately \$3,323,205.00 in cash at Bank of America, San Diego, California. Money from these accounts was transferred to the Quintero accounts at RepublicBank, Houston and to related accounts at CitiBank, New York City.
10. In February, March, and April, 1983 Juan Frank Garcia and Emilio Quintero-Payan possessed \$3,750,000.00 in currency, mostly twenties, in Hidalgo County, Texas. Juan Frank Garcia and Emilio Quintero-Payan deposited \$2,750,000.00 at Metropolitan National Bank, Central National Bank and First National Bank during the same time period.
11. In June of 1983, Central National Bank, Metropolitan National Bank and First National Bank funded \$2,700,000.00 in loans.
12. During 1983, Carlos Behn and Raymond Ugalde, who was at the time a vice-president of RepublicBank Houston, designed a laundry scheme of approximately \$6,275,000.00 of

JUAN JOSE QUINTERO-PAYAN and Emilio Quintero-Payan's funds on deposit in Texas and California Banks.

13. In July of 1983, Carlos Behn carried three cashier's checks, two of which were defaced by obliterating the name of **JUAN QUINTERO** as remitter, in the total sum of \$6,275,000.00 to the Cayman Islands. While there Carlos Behn caused the creation and establishment of European Commodities, LTD., and Continental Resources, LTD. Carlos Behn became an officer of both corporations. In August of 1983, \$6,275,000.00 was transferred by Carlos Behn from the Cayman Islands to New York City and then to accounts at RepublicBank Houston established by Carlos Behn in the names of European Commodities, LTD., and Continental Resources, LTD.
14. From January through July, 1983, \$5,231,725.00 in cash deposits, mostly twenties, were made by **JUAN JOSE QUINTERO-PAYAN**, Celina Ley Machado and Carlos Behn into QUINTERO controlled accounts at RepublicBank Houston. During this same period approximately \$1,600,000.00 in other deposits were made into these accounts. Raymond Ugalde assisted in these deposits.
15. In July, 1983, approximately 314 acres of land near Tomball, Texas were purchased with a down payment of approximately \$500,000.00 from the QUINTEROS' funds at RepublicBank. The total purchase price of the land was in excess of \$2,500,000.00. Carlos Behn became a co-owner of this land.
16. From November, 1983 through January 1984, Juan Frank Garcia, Carlos Behn, Jose Luis Cervantes and others unknown, assisted by Raymond Ugalde, deposited in excess of \$5,400,000.00 in cash, mostly twenties, at Texas American Bank, Houston, Texas. The

Currency Transaction Reports on several of these deposits were falsified. The money was carried in suitcases and much of it was wrapped in multi-colored rubber bands.

17. During 1983, after the seizure of approximately 1,600 pounds of marihuana near Seguin, Texas, Juan Frank Garcia delivered to Leonardo Payan-Quintero approximately \$300,000.00 in cash in Hidalgo County, Texas.
18. During part of this conspiracy, Juan Frank Garcia and others delivered large amounts of U.S. currency to JUAN JOSE QUINTERO-PAYAN and Emilio Quintero-Payan for marihuana supplied by the Quintero-Payan drug enterprise.
19. In November of 1983, Juan Frank Garcia and Jose Luis Cantu purchased 19.2 acres near Dobbin, Texas for approximately \$85,000.00. In March, 1984, Juan Frank Garcia and Jose Luis Cantu purchased the adjoining 13.8 acres for approximately \$48,000.00. Juan Frank Garcia had title to both tracts placed in the name of Joe Cantu. Following the November, 1983, purchase, in excess of \$50,000.00 was invested by Juan Frank Garcia and Jose Luis Cantu in the Dobbin property in various improvements.
20. Starting in December, 1983, through approximately March of 1984, numerous loads of marihuana were distributed by Juan Frank Garcia, Jose Luis Cantu, and others from the Dobbin facility.
21. In December of 1983, Juan Frank Garcia caused the distribution of approximately 5,000 pounds of marihuana to the driver of a rental truck.
22. In approximately October of 1985, JUAN JOSE QUINTERO-PAYAN and Emilio Quintero-Payan arranged for the importation via airplane of several hundred kilos of cocaine from South America to Mexico for subsequent exportation to the United States.

23. In approximately December of 1985, JUAN JOSE QUINTERO-PAYAN and Emilio Quintero-Payan arranged for the importation via airplane of approximately seven hundred kilos of cocaine from South America to Mexico for subsequent export to the United States.
24. In 1986, JUAN JOSE QUINTERO-PAYAN, in Mexico, discussed with a person from South America the importation of cocaine base from South America via airplane.
25. In July of 1992, JUAN JOSE QUINTERO-PAYAN possessed at least \$790,000.00 in U. S. currency in Mexico, near Guadalajara.
26. During the time period 1993 - 1994, JUAN JOSE QUINTERO-PAYAN and Celina Ley Machado arranged for the purchase and use of a Mercedes truck in Mexico through others.
27. In the summer of 1994, JUAN JOSE QUINTERO-PAYAN, made arrangements to receive a large quantity of cocaine smuggled into Mexico via airplane, for later export to the United States.
28. In approximately 1999, JUAN JOSE QUINTERO-PAYAN supplied cocaine to co-conspirators who then brought it to the United States. Approximately 100 kilos of this cocaine were brought to Houston, Texas, to be sold. On or about March 4, 1999, approximately 12 kilos and \$879,000.00 in U. S. currency were held in Houston, Texas.

All of which was in violation of Title 18, United States Code, Section 1962(d).

COUNT THREE
[21 U.S.C. 963]

That from in or about the year 1978 up to and including the date of this indictment in the Western District of Texas, and elsewhere, and in the jurisdiction of this court

JUAN JOSE QUINTERO-PAYAN

Defendant herein, did unlawfully, willfully and knowingly conspire, combine, confederate, and agree with other persons, known and unknown to the Grand Jury, to import into the United States, in excess of 5 kilograms of cocaine, a controlled substance under Schedule II of the Controlled Substances Act of 1970, and in excess of 1000 kilograms of marihuana, a controlled substance under Schedule I of the Controlled Substances Act of 1970, in violation of Title 21 United States Code, Section 963.

COUNT FOUR
[21 U.S.C. 846]

That from in or about the year 1978 up to and including the date of this indictment in the Western District of Texas, and elsewhere, and in the jurisdiction of this court


JUAN JOSE QUINTERO-PAYAN

Defendant herein, did unlawfully, willfully and knowingly conspire, combine, confederate, and agree with other persons, known and unknown to the Grand Jury to possess with intent to distribute in excess of 5 kilograms of cocaine, a controlled substance under Schedule II of the Controlled Substances Act of 1970, and in excess of 1000 kilograms of marihuana, a controlled substance under Schedule I of the Controlled Substances Act of 1970, in violation of Title 21 United States Code, Section 846.

A TRUE BILL


FOREMAN OF THE GRAND JURY

JOHNNY SUTTON
United States Attorney
Western District of Texas

BY: 
CHARLES E. LEWIS
Special Assistant United States Attorney
Western District of Texas